

Minneapolis Community Development Agency

Request for City Council Action

Date: October 17, 2002

To: Council Member Lisa Goodman, Community Development Committee
Council Member Barbara Johnson, Ways and Means/Budget Committee
Refer to: MCDA Board of Commissioners

Prepared by Richard G. Victor, Phone 612-673-5026

Approved by Chuck Lutz, MCDA Interim Executive Director _____

Subject: Authorization to execute a Cooperative Funding Agreement with Hennepin County for Mill City Museum and necessary appropriations .

Previous Directives: The City Council and the Board have passed numerous actions concerning the Mill City Museum, but none directly related to this request.

Ward: 2nd Ward

Neighborhood Group Notification: Not required.

Consistency with *Building a City That Works*: Goal 4: Preserve and enhance the historic structures, urban institutions, environments and amenities that define Minneapolis.

Comprehensive Plan Compliance: Museum use conforms to Comprehensive Plan.

Zoning Code Compliance: Complies.

Impact on MCDA Budget: (Check those that apply)

- ☐ No financial impact
- ☒ Action requires an appropriation increase to the MCDA Budget
- ☒ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

Living Wage / Business Subsidy: N/A

Job Linkage: N/A

Affirmative Action Compliance: N/A

RECOMMENDATION:

City Council Recommendation: The Interim Executive Director recommends that the City Council:

- 1. Authorize the appropriate City officials to execute the Cooperative Agreement with Hennepin County for funding the Mill City Museum, substantially in the form attached.**
- 2. Amend the 2002 MCDA Appropriation Resolution to increase the appropriation in Fund SMN (State & Other Grants Fund) by \$1,000,000.**
- 3. Increase the MCDA Revenue Budget in SMN (3215-13 Other MN Grantor Agencies) by \$1,000,000.**

MCDA Board Recommendation: The Interim Executive Director recommends that the Board:

- 1. Authorize the Interim Executive Director to execute the Cooperative Agreement with Hennepin County and the necessary documents to transfer the funds to the Minnesota Historical Society, pursuant to the agreement.**

Background/Supporting Information

The Hennepin County Board has pledged \$1,000,000 in capital funding to the Minnesota Historical Society for the Mill City Museum Project. The funding comes from the multi-jurisdictional reinvestment program, as authorized by the County Board. In order to comply with the program's legal requirements, the funding must be transferred from Hennepin County to the MCDA and subsequently to the Minnesota Historical Society (MHS), pursuant to the attached Cooperative Agreement. Both the City and the MCDA need to execute the Cooperative Agreement in order to comply with the legal requirements of the program. Once the City and MCDA take action, the Cooperative Agreement will be forwarded to the Hennepin County Board for final ratification.

The MCDA will disburse the funding to the MHS, once the Agreement is executed, and funding is received from Hennepin County.

**COOPERATIVE AGREEMENT
FOR MILL CITY MUSEUM**

This Cooperative Agreement, hereinafter called the “Agreement”, made and entered into by and between the County of Hennepin, a Minnesota political subdivision, hereinafter called the “County”; the City of Minneapolis, a Minnesota municipal corporation, hereinafter called the “City”; and the Minneapolis Community Development Agency, a Minnesota public body corporate and politic, hereinafter called the “MCDA”.

WHEREAS, the Minnesota Historical Society (“MHS”) is undertaking a redevelopment project called the Mill City Museum, hereinafter called the “Project”, which is bounded by Portland Avenue South and Chicago Avenue South and by Second Street and West River Parkway in Minneapolis; and

WHEREAS, the Project is included within the West Side Milling TIF District No. 86 created by the MCDA on February 6, 1998, and which is within the Industry Square Redevelopment Project Area and is in accordance with the Industry Square Redevelopment Plan, as last modified by the MCDA on February 2, 2001 (the “Plan”); and

WHEREAS, the City and the MCDA have provided financial assistance to the Project; and

WHEREAS, the completed Project will serve to preserve and to interpret the historic milling district adjacent to St. Anthony Falls; and

WHEREAS, the Project fits within the goals of a multijurisdictional reinvestment program authorized under Minnesota Statutes Section 383B.79; and

WHEREAS, the Board of Commissioners of the County has approved the Plan, and the multijurisdictional reinvestment program (the “Program”), and authorized the County’s participation in the Project; and

WHEREAS, the MCDA is authorized to undertake and participate in the Project pursuant to Minnesota Statutes Sections 469.001 to 469.047 and other applicable law; and

WHEREAS, the County is authorized to contribute funds to the Project pursuant to Minnesota Statutes Sections 383B.79 and 469.041 and other applicable law; and

WHEREAS, Minnesota Statutes Sections 383B.79 and 471.59 authorize the parties hereto to enter into this Agreement.

NOW, THEREFORE, in consideration of the terms contained herein, it is agreed by and between the parties that they enter into this Agreement in order to provide for the participation of the County in the Project in cooperation with the City and MCDA.

ARTICLE I

Purpose

The purpose of this Agreement is to provide for the participation of the County in the Project in accordance with the goals of the Program.

ARTICLE II

Source of Funds

The County will contribute \$1,000,000.00 from general obligation bonds to the MCDA in support of the Project upon receipt of proper verification from the MCDA that such funds are needed in accordance with the terms of Article III below.

ARTICLE III

Use of Funds

MCDA agrees to use the funds provided by the County for construction costs incurred for the Project. These funds will be furnished by the MCDA to the MHS in reimbursement of such construction costs. County funds may only be used for capital costs directly associated with the Project, and shall not be used for any costs associated with any construction outside the boundaries of the museum property. In the event the MHS fails to submit proper invoices to MCDA for such funds by December 31, 2003, then the County will have no further obligation to provide such funds to MCDA, unless the parties agree to an extension of this Agreement by amendment.

ARTICLE IV

Administration

MCDA will enter into a written agreement with MHS to ensure that all funds disbursed herein are used in accordance with the requirements of Article III above. Said agreement shall provide that, if requested by the County, MHS shall execute and deliver to the County a declaration of restrictive covenants in a form acceptable to the County which will ensure that the Project will be used for public museum purposes for a minimum of twenty (20) years. In order to accomplish the purposes of this Agreement, Larry Blackstad, Hennepin County Housing, Community Works and Transit, will manage this Agreement on behalf of the County and serve as liaison between the County and MCDA.

ARTICLE V

Term

This Agreement shall be effective upon execution of all parties to this Agreement, and shall remain in effect until December 31, 2003 or such earlier time as this Agreement is terminated by mutual agreement of the parties.

ARTICLE VI

Data Privacy

The parties agree to abide by all applicable State and Federal Laws and regulations concerning the handling and disclosure of private and confidential information concerning individuals and/or data including but not limited to information made nonpublic by such laws or regulations.

ARTICLE VII

Records—Availability

MCDA agrees that the County, the State Auditor, the Legislative Auditor, or any of their duly authorized representatives at any time during normal business hours, and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of MCDA and involve transactions relating to this Agreement. Such materials shall be maintained and such access and rights shall be in force and effect during the term of this Agreement and for six (6) years after its termination.

ARTICLE VIII

Merger and Modification

- a. It is understood and agreed that the entire Agreement between the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. All items referred to in this Agreement are incorporated or attached and are deemed to be part of this Agreement.
- b. Any alterations, variations, modifications, or waivers of provisions of this Agreement shall only be valid when they have been reduced to writing as an amendment to this Agreement signed by the parties hereto.

ARTICLE IX

Amendments

This Agreement may be amended only by unanimous agreement of the parties hereto by resolution of the governing bodies of said parties.

IN WITNESS WHEREOF, the parties to this Agreement have hereunto set their hands on the date written below.

Approved as to form
and execution:

Assistant County Attorney
Date: _____

COUNTY OF HENNEPIN
STATE OF MINNESOTA

By: _____
Chair of Its County Board

And: _____
Assistant/Deputy/County Administrator

ATTEST: _____

Deputy/Clerk of County Board

Approved as to form:

CITY OF MINNEAPOLIS

Assistant City Attorney

Date: _____

By: _____
Its Mayor

Attest: _____
City Clerk

Countersigned: _____
Finance Officer

Approved as to form:

**MINNEAPOLIS COMMUNITY
DEVELOPMENT AGENCY**

Assistant City Attorney

Date: _____

By: _____
Its: _____